

If you are providing detective services . . .

then **beginning October 1, 2003**, you are a retailer and the gross receipts (charges) for detective services are subject to sales tax. Licensed private detectives and detective agencies must hold a Nebraska sales and use tax permit and collect the Nebraska and applicable local (city) sales tax on all charges for their services. If you need a permit, please refer to the paragraph below titled "Retailer's responsibilities".

Taxable detective services are those provided by a licensed private detective or detective agency in the business of investigating to obtain information for others. Sales tax applies to the total charge to the customer.

Taxable detective services include, but are not limited to:

- ◆ Background investigations;
- ◆ Investigation of crimes, either committed or threatened;
- ◆ Surveillance (including electronic or video surveillance), and undercover investigations;
- ◆ Lie detection services (polygraph or voice stress exam);
- ◆ Obtaining evidence for a legal hearing, criminal case, or trial;
- ◆ Recovery of lost or stolen property;
- ◆ Pre-employment investigations, employee investigations, or employee theft investigations;
- ◆ Searching for missing persons; and
- ◆ Process services.



Detective services performed by a plain clothes investigator for a licensed detective agency or by another employee for his or her employer in the regular course of business, within the scope of the employee's duties, and for which the employee is paid a wage or salary are **not taxable**. Persons performing detective services are the consumers of all equipment and consumable supplies (for example, polygraph machines, recording devices, office supplies) used in performing their services and must pay the applicable sales or use tax on purchases of such items.

Local sales tax. Local sales tax must be collected if the detective service is provided within a municipality that has a local sales tax. When the charge cannot be assigned to specific locations, local sales tax must be collected based on the customer's primary residential or business street address in this state.

Retailer's responsibilities. Retailers have certain administrative responsibilities for collecting and remitting sales tax. These responsibilities are summarized in our Information Guide titled "**Nebraska and Local Sales Tax**", available on our Web site at: www.revenue.state.ne.us or call 800-742-7474 (toll free in Nebraska and Iowa) or 402-471-5729 if you are calling from outside of Nebraska or Iowa.